

Department of Budget and Management
Office of Information Technology
Fiscal Year 2007 Operating Budget

Senate Budget & Taxation Committee – February 28, 2006
The Honorable Ulysses Currie, Chair

House Appropriations Committee – March 9, 2006
The Honorable Norman H. Conway, Chair

FY 2006 ACCOMPLISHMENTS

- NetworkMaryland™ will be completed.
- Wireless interoperability issues are being addressed through a collaborative organization consisting of representation from State, county, and municipal governments.
- A new master IT procurement contract has been established that expands the number of prime contractors to 217 of which 70% are either a Maryland MBE or SBR.
- The State's 200 Major IT systems experienced no failures.

PLANS FOR FY 2007

- An assessment of the wireless systems needs and assets of state, local and municipal first responders will be initiated.
- All remaining leased services will be migrated to networkMaryland™ and a trial for Voice Over Internet Protocol (VOIP) on networkMaryland™ will be initiated.
- The State's IT disaster recovery preparedness will be assessed.

RESPONSE TO DLS RECOMMENDATIONS

Summary of DBM Positions

DLS Recommendations	Amount	DBM Position
1. Approval of funding for specific projects through the Major Information Technology Project Development Fund.		Concur
2. Delete two long-term vacant positions and associated funding.	\$75,277	Oppose
3. Delete funds for video surveillance equipment at various Department of Juvenile Services (DJS) facilities.	\$2,000,000	Oppose
4. Delete funding for the Department of Labor, Licensing, and Regulation (DLLR) Maryland Business Registry project.	\$1,000,000	Oppose

DEPARTMENT OF BUDGET & MANAGEMENT RESPONSES

DLS Recommendation 1: Approve funding for specific projects through the Major Information Technology Project Development Fund.

DBM Response: Concur with the approved projects. The Department notes that the proposed language is inconsistent with section 3-410.2 (j)(2) of the State Finance and Procurement Article regarding changes in scope or cost of projects.

DLS Recommendation 2: Delete two long-term vacant positions and associated funding.

DBM Response: Oppose. Since FY 2003, the number of positions in OIT has been reduced by 25, a 17% decrease. The Department believes that eliminating these positions would impair the operations of the Office. The vacancies are a product of a difficult hiring environment for all State positions due to the thriving Maryland economy. Information technology positions are particularly difficult to fill as demand for skilled professionals increases in the private sector. Moreover, 2 of the vacant positions have been filled and a third is in the interview process. Hiring for the final position is expected to be completed by May 2006.

DLS Recommendation 3: Delete funds for video surveillance equipment at various Department of Juvenile Services (DJS) facilities.

DBM Response: Oppose. Video surveillance equipment is critical to the safety of State employees assigned to the facilities as well as the safety of detainees. Such equipment also serves as a deterrent to violent behavior. While it is true that some of the facilities that will receive the equipment will ultimately be closed, this equipment addresses the immediate safety

of our State employees. Safety at the facilities has been a particular concern of members of the General Assembly. The allowance for the equipment seeks to use a multifaceted approach to addressing those concerns.

DLS Recommendation 4: Delete funding for the Department of Labor, Licensing, and Regulation (DLLR) Maryland Business Registry project.

DBM Response: Oppose. The Maryland Business Registry is designed to permit businesses and licensees to access all information regarding requirements for doing business in Maryland in one location. Further, the Maryland Business Registry will allow on-line application and one-time entry of information instead of multiple entries of the same data to satisfy State requirements. The Maryland Business Registry will reduce costs for both the State and businesses by providing a simplified process that requires less duplication of effort. The Maryland Business Registry is on line completion of the required forms and the automatic distribution of the data to the multiple agencies that are involved in the licensing of a business. Any project resulting from this analysis would be developed and managed as a major IT development project, and would be required to comply with the states IT project management protocol. This project is consistent with legislated eGovernment directives and the recommendations of the Maryland Economic Development Commission. It is also consistent with section 3-403 of the State Finance and Procurement Article that reflects the intent of the General Assembly to make services available to the public over the Internet.

ISSUES

1. Expenditures Support by the Major IT Development Project Fund

The analysis raises several possible funding sources for the Major IT Development Project Fund including user fees for access to State services through the Internet. It is likely that such fees would discourage citizen access to State services and information by imposing a cost barrier to usage. The result would be higher transaction processing costs and a need for more staff rather than a stream of income for the MITDPF.

The suggestion that reversions or savings from technology be identified and assigned to the Major Information Technology Development Project Fund is no different than an appropriation of general funds. This approach does not create a new revenue source but merely redirects existing State funds to the MITDPF.

Finally, the concept of gain sharing for collection of delinquent taxes has a theoretical appeal but could result in higher State costs for a system because of the contingent nature of the price.

2. State IT Master Plan Implementation Status

Although the Department agrees that having certified project managers for major IT development projects is a best practice, requiring certification is a costly, unfunded mandate. Agencies with large major IT projects such as MDOT, DHR and SRA have certified project managers on staff. Where appropriate, smaller agencies that do not have certified resources on staff can outsource project management. Agencies are encouraged to include project management certification as a preferred qualification when hiring staff, and to require certification for contract project managers. Agencies encourage existing staff to become certified through college or qualified, specialized training venues.